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Classified By: POLCOUNS Brian R. Naranjo. Reasons: 1.4(b), (c), and (d)

Summary

¶1. (C) Welcome to the Fourth of July edition of the Panama Post! Our staff members were out in force trolling crowd at the Ambassador's residence for this year's Independence Day reception to take Panama's political pulse. This week, Panamanian President Torrijos flexed his muscle: powering through his hand-picked candidate to be the next Ombudsman (an ostensibly "independent" government authority), reining in a proxy battle within the PRD for the party's presidential nomination, and putting his cabinet on notice that they needed to perform better. The icing on the cake for Torrijos was finding an artful solution to ensure that Panama's flag flies at the PanAm games in Rio. Amid this activity, the failing marks given Torrijos' Anti-Corruption Secretariat by a recent poll went nearly unnoticed. In the opposition, Alberto Vallarino floated that he was looking for a party while former President Guillermo Endara's Moral Vanguard of the Nation (VMP) party checked yet another box on the way to its registration.

¶2. (U) The following are this edition's stories:

- Torrijos takes the Cabinet on the road;
- New Public Defender (Ombudsman) elected and promptly acts to defend self;
- Endara takes a dive as the Moral Vanguard of the Nation (VMP) takes step forward;
- Torrijos to wave Panamanian Flag at PanAm Games in Rio;
- Soviet-style, Torrijos manipulates election for Panama Province Municipal Council Presidency;
- Electoral Tribunal (TE) expands pool of voters, opposition wary;
- Election season must be around the corner -- Vallarino mulls which party to join; and
- Torrijos' Anti-Corruption Secretariat gets failing marks in poll.

End summary.

Torrijos Takes Cabinet on the Road

13. (SBU) Panamanian President Martin Torrijos, fed up at taking criticism for his government's performance, threatened his ministers that he would take the cabinet on the road so they could answer for their own performance, newly appointed Minister for Canal Affairs Dani Kuzniecky told the Panama Post on June 28. Indeed, the Panama Post learned July 3 that Torrijos would chair a "regional workshop" in Chiriqui Province on July 6, attendance at which was compulsory for cabinet members. First VP and FM Samuel Lewis cringed July 4 when asked if it was true that the President would be taking the cabinet on the road more often in the coming weeks.

14. (C) Comment: Amidst rioting high school students, drawn out investigations into the diethylene glycol poisoning case and the October bus fire, and the arrest of the commander of the National Maritime Service (SMN), Torrijos has felt besieged. Minister of Education Miguel Angel Canizales and Minister of Health Camilo Alleyne are in a race to the bottom in polls regarding these ministers' performance, neither one breaking into double digits. In an effort to pressure his ministers to perform and to spread the blame, Torrijos is putting the band together and hitting the road, something the ministers hate as it takes them away from managing their portfolios.

Defender of the Public Elected, Goes on Defense

15. (SBU) Elected June 29 by the National Assembly, Panama's new Ombudsman (Defensor del Pueblo, or Public Defender) Ricardo Vargas assumed his office on July 2. Vargas was immediately put on the defensive defending himself against charges of human rights abuses, extortion, bribery, abuse of authority, and other wrong-doings related to his previous position as Director of Immigration. These charges stem from a complaint filed with the Anti-Corruption Prosecutor's office on behalf of Xinhao Pan, a Chinese national detained on Vargas' orders for six months and who was subsequently deported. On the day of his election, Panama's morning television interview personality Lucy Molinar grilled Vargas regarding alleged irregularities during his tenure as Director of Immigration and accusations that he abused his wife. (Note: Former Ombudsman Liborio Garcia, who bombards the Panama Post with missives asserting his innocence, was removed by the National Assembly for allegedly beating his wife.) The Panama Post heard Vargas profess his desire as Panama's ombudsman to fight against "intra-family violence" as well as for the rights of the handicapped, individuals with HIV/AIDS, and people affected by environmental degradation. Responding to accusations that he improperly issued visas, Vargas has stated that the Council for Protection Safety and National Defense (CSPDN) had to greenlight all "restricted" visas to be issued to nationals from "criteria" countries.

16. (S/NF) Though essentially a sinecure position without the power to forward cases to prosecutors or submit cases to the courts, the Ombudsman position is one of the few positions that the National Assembly can fill on its own. (The other such positions are the Comptroller General and one of the three magistrates on the Electoral Tribunal.) As with the recent move of Dani Kuzniecky from Comptroller General to Minister of Canal Affairs, the effort to dub Vargas as the next Ombudsman once again erased whatever separation might have existed between Panama's legislative and executive branches and is another example of governing Revolutionary Democratic Party (PRD) acting by fiat. Indeed, 1st VP and FM Samuel Lewis called then-Charge on June 28 to indicate that the cabinet was considering Vargas' nomination and to ask if the U.S. knew of any reasons why he might not be an appropriate candidate. Charge indicated that the Embassy was privy to the same general concerns about possible irregularities in immigration, including possible nexuses to trafficking-in-persons. The Panama Post hopes that Vargas can live up to his assertion upon assuming office, "My actions will be founded on my conscience. I will make

well-founded criticisms when appropriate and will strive to meet the highest ethical standards that have characterized all of my acts in my public and private life." Post has reason to believe that Vargas was less than religious in securing CSPDN authorization to issue "restricted" visa to citizens from "criteria" countries. Vargas' runner-up, independent political analyst Alfredo Castellero, Panamenista party President Juan Carlos Varela, and political commentator Miguel Angel Bernal asserted July 4 that the manner in which the PRD forced through its candidate would diminish the credibility of this bully pulpit.

Endara Takes Dive, VMP Takes Step Forward

¶7. (U) Former President Guillermo Endara collapsed July 1 during Moral Vanguard of the Nation (VMP) party's internal election of representatives to this newly established party's convention. These internal elections are required by the Electoral Tribunal (TE), and VMP's satisfaction of this requirement puts it one step closer to formal recognition as a new political party. Endara's close advisor, Menalco Solis, confirmed on July 4 for the Panama Post that Endara would not participate in an inter-party primary. Doctors said Endara, who suffers from diabetes and other health problems, was dehydrated, particularly due to intense heat. On July 3, the 71-year old ex-president told the press that he "enjoyed good health," and asserted that he had lost at least 120 pounds.

¶8. (C) While it strongly suspects Endara's assertions that he only weighs 180 pounds, the Panama Post does note that Endara has lost a significant amount of weight in recent years. That said, however, this collapse came at a difficult time for Endara as he is launching his new party and will remind voters of concerns about Endara's health. Downplaying Endara's collapse, Solis told POLCOUNS July 4 that it was very difficult to motivate the rank and file to participate in these arcane TE-required activities normally only the true

political junkies participated but at the end of the day VMP checked the box that it had done the necessary to organize its convention. Echoing these sentiments, Patriotic Union (UP) luminary Delia Cardenas and Democratic Change (CD) party leader Ricardo Quijano separately concurred that they had experienced similar difficulties mobilizing more than the political diehards in their parties to participate in their own internal elections for convention delegates. While Panamenistas continue to push for an inter-party primary, CD and VMP representatives refuse to commit to such a primary.

Torrijos to Wave Flag at PanAm Games in Rio

¶9. (SBU) Responding to the sturm und drang over the Pan-American Sports Organization (ODEPA)'s suspension of the Panamanian Olympic Committee (COP) for intractable corruption, Panamanian First VP and FM Samuel Lewis told Ambassador July 4 that President Martin Torrijos had decided to travel to Rio de Janeiro for the PanAm games the week of July 9. While normally such a suspension meant that Panama's flag would not wave nor its national anthem be heard, apparently ODEPA's rules state that if a country's head of state/government is present that such honors must be paid. With this artful maneuver, Torrijos adeptly responded to public calls that he do "something" where the GOP actually has little leverage. Lewis added that, while it provided funding to the COP, the GOP had no actual control over the COP; "We're going to change that."

Soviet-style, Torrijos Manipulates Election

¶10. (C) Torrijos manipulated the election for the President of the Panama Province Municipal Council on July 3 to ensure

that his hand-picked candidate, San Miguelito Councilman Nicolas Barrios, was chosen in a PRD show of force, Panama City Councilman for San Francisco Carlos Perez-Herrera, PRD National Executive Committee (CEN) Member Samuel Buitrago, and Panamenista Party President Juan Carlos Varela all separately confirmed for the Panama Post on July 4. Perez-Herrera was the front-runner in a race against fellow PRD member Virgelio Crespo, a councilman from Panama City's Bella Vista District. While Panama Province councilmen were to select their president during the week of June 25, Torrijos sought and secured a postponement until July 3, ostensibly to twist arms to secure more votes for Crespo. Unable to put Crespo over the top, Torrijos instead summoned the councilmen to the Casa Amarilla, a meeting center in the presidential compound. Torrijos, First VP and FM Samuel Lewis, Panama City Mayor Juan Carlos Navarro, and Panama Province Governor Gladys Bandiera -- all of whom are neither members of nor able to vote in the Panama Province Municipal Council -- appeared on the stage to discuss this election. Torrijos stated that since there was no consensus in support of Perez-Herrera or Crespo, a councilman from San Miguelito should be chosen. Torrijos and San Miguelito Mayor Hector Carrasquillo then consulted in whispers on stage for several minutes. Then, according to our sources in a maneuver reminiscent of Supreme Soviet elections, Torrijos announced, "Who agrees that San Miguelito Councilman Nicolas Barrios should be President of the Municipal Council?" Torrijos', Lewis', Bandiera's, and Navarro's hands flew into the air followed by the hands of many councilman who actually had a right to vote, after which Torrijos declared Barrios the winner.

11. (C) Comment: Our readers are probably asking themselves: why did Torrijos, accompanied by PRD heavy hitters Lewis and Navarro, go to such lengths to manipulate an inconsequential election? Composed of councilmen from all of a province's municipalities, these provincial municipal councils and their presidents do control limited funds with which they can carry out minor public works projects (e.g., road repair, cleaning up parks), but they are largely ceremonial and symbolic. One explanation is that Torrijos was unsatisfied with Perez-Herrera's independence stripe and wished to have a more reliable political operator in the position. Perez-Herrera's fearlessness in being a stickler for adherence to proper procedure and effective oversight in Panama City's City Council, at times clashing with Navarro, probably raised questions as to whether he was the one to have at the helm of a possible pipeline for political patronage. (Note: Perez-Herrera has been selected for an International Visitor Program (IVP) on grassroots politics.) PRD National Executive Committee (CEN) member J. J. Amado, III provided POLCOUNS a more interesting explanation on July 6: Torrijos intervened because the PRD internal campaign for the party's presidential nomination was beginning too early and being waged by proxy. Perez-Herrera was seen to be former President Ernesto "El Toro" Perez Balladares' proxy, and Crespo to be Navarro's proxy. To discipline the PRD and protect his preferred successor Lewis' interests, Torrijos slammed through Barrios. The real winner in all this maneuver therefore was Lewis: his cousin Navarro was put in his place, El Toro was forestalled, and Carrasquillo, who is mayor of Panama's second largest municipality and whom Lewis has been cultivating assiduously, puts his man in the job. This power play by Torrijos belies the PRD's assertions that all is A-OK inside the PRD and points to significant tensions between presidential aspirants who are already jockeying hard for position.

Electoral Tribunal Expands Pool of Eligible Voters

12. (U) Panamanians of voting age who are overseas, in hospitals or in detention (but not sentenced) would be eligible to vote in Panama's May 2009 elections, the Electoral Tribunal (TE) announced July 3 as it launched its national effort to update the voter rolls. Launching its update of the electoral roles, the TE said it expected

2,294,538 Panamanians to be eligible to vote. (Note: Panamanians do not register to vote. Rather, the TE maintains a comprehensive national identity system of all Panamanians. When they turn eighteen, Panamanians are eligible to vote and the TE adds their names to the voter rolls.) TE Magistrate Eduardo Valdes clarified that only Panamanians "who had not adopted another nationality" would be eligible to vote overseas. These changes, coupled with the number of Panamanians reaching voting age, would add some 300,000 new voters, political commentator and human rights attorney Miguel Angel Bernal told the Panama Post on July 4, adding, "I am concerned that if not handled properly we could be opening the door to voter fraud." Other opposition politicians Delia Cardenas and Juan Carlos Varela expressed similar concerns. The TE will need to resolve whether overseas Panamanians vote only in the presidential race or in local elections as well.

¶13. (U) Further concerns were raised July 5 -- this time by PRD politicians -- when it was learned that 66,126 persons would be excluded from the voter roles. According to the TE, those individuals excluded had neither voted in 1999, 2004, 2006 nor taken any action to update their information (e.g., residence) with the TE. Possible PRD presidential aspirant Balbina Herrera characterized this development as "worrisome," especially since Panama's Constitution did not require citizens to vote. In essence, Herrera is concerned that voters, who are still alive and kicking, might have been disenfranchised because they had not voted in the past 8 years nor had any reason to update their personal data with the TE. The TE has launched an aggressive campaign urging voters to update their status with the TE if: they will turn 18 by May 2009, have changed residence, will require special attention due to a medical condition, plan to live overseas, or have a family member who has passed away. Stay tuned.

Election Season Must be Near: Vallarino Measures Up Parties

¶14. (U) Perennial presidential contender Alberto Vallarino said he would decide which party to join, either the Panamenista Party or the Patriotic Union (UP) party, over the next two months, in a July 2 interview on Channel 13. In the end, his presidential candidacy would depend on the support he enjoyed. Making the political rounds, Vallarino ate lunch July 2 with Endara's wife, Anna Mae, but not the ex-president himself, an interesting way to reach out to the Moral Vanguard of the Nation (VMP) party. While Anna Mae de Endara has supported Vallarino in the past, VMP President Guillermo Endara has supported former President Mireya Moscoso.

¶15. (SBU) Several news outlets joked that the campaign season must be starting in earnest since Vallarino was mulling over which party to join and generating buzz as speculation mounts over which party he would join without making any commitments. Regardless of which party he joins, Vallarino has the ability to upset the opposition calculus. He would become the third or fourth Panamenista prospective presidential candidate. Also, by joining former 1st VP Billy Ford in UP, Vallarino could serve as yet another anchor holding UP back from endorsing current 1st VP and FM (and UP godfather Samuel Lewis Galindo's nephew) Samuel Lewis Navarro.

2/3 Flunk Anti-Corruption Secretariat

¶16. (U) Asked how they would characterize the performance of Torrijos' Anti-Corruption Secretariat in the fight against corruption, 62.7 percent of those polled said bad (43.7 percent) or very bad (19 percent). Only 28.9 percent said its performance was good, and 3.4 percent said it was excellent. These results, which were part of a poll conducted by Dichter and Neira, were the latest tidbits that La Prensa meted out on July 3. Local Transparency International Executive President Angelica Maytin noted that the most significant development on this secretariat's

activities was the elimination of its ability to conduct administrative investigations, what was "it's most significant function." Meanwhile, the secretariat's spokesman said the poll reflected its low profile.
Eaton